

Remittance grows 23pc in nine months

Record \$478m received in March

MONJUR MAHMUD

Remittance hit a record US\$478 million in March, as the inflow grew by around 23 percent in the first three quarters of the current financial year.

Bangladeshi wage earners living abroad sent US\$1,071.36 million in the first quarter, \$1,107.51 million in the second quarter and \$1,297.16 million in the third quarter, totaling \$3,476 million during July-March period of the 2005-06 fiscal year.

Remittance was \$2,822.86 million during July-March period of the 2004-05 financial year, according to Bangladesh Bank statistics.

With the strong flow in March, the country's foreign exchange reserve stood at \$2,926 million as of yesterday.

Remittance has been maintaining a healthy flow since December with around \$430 million a month on an average. Inflow in December, February had also been the record highest.

"Recent depreciation of taka

Remittance inflow in July-March

	2004-05	2005-06
Q1	833.72	1,071.36
Q2	943.52	1,107.51
Q3	1,045.62	1,297.16
Total	2,822.86	3,476.03

In US m dollar

Source: Bangladesh Bank

against US dollar has encouraged the non-resident Bangladeshis (NRBs) to send more money back home," explained a central bank official, hoping that the trend would continue in the coming months.

On the other hand, Bangladesh Bank also continues its efforts to encourage NRBs to send their money through official channels. And remittance has become a good source of income for some of the banks with strong network abroad.

The private commercial banks (PCBs) have become more aggressive in remittance business provid-

ing quick and reliable services and attracting the Bangladeshi wage earners to send money home through banking channel.

Remittance inflow was \$3,848.29 million in the last financial year.

Bangladesh Bank Governor Salehuddin Ahmed last week hoped remittance inflow this financial year would be around US\$4.5 billion if the present trend continues.

Pointing out some bottlenecks in smooth flow of remittance, he mentioned lack of easy access to banks and unfavourable investment

atmosphere for expatriates are some of the hurdles

Imposition of flat rate for remitting any amount of currency by banks and exchange houses is another bottleneck for lower wage earners, the governor mentioned. "It is difficult to pay £25 for sending £250."

Salehuddin emphasised the need for improving better services by banks and exchange houses and investment-friendly environment to encourage NRBs to remit more in the country.

Bangladeshi wage earners send more than US\$ seven billion annually and a substantial portion of the total amount still comes through hundi, an illegal way of transferring money, according to bankers.

They felt that there is still a good scope to see further rise of remittance inflow through official channels.

'IPEday-2006' begins at BUET

STAR BUSINESS REPORT

A three-day programme styled 'IPEday-2006' began yesterday on Bangladesh University of Engineering and Technology (BUET) campus to highlight the importance of industrial and production engineering in the country.

Abdullah Al Noman, fisheries and livestock minister, formally inaugurated the programme. Prof Alee Murtuza, vice-chancellor of BUET, and Prof Nikhil Ranjan Dhar, head of Industrial and Production Engineering (IPE) department, were also present at the inaugural ceremony.

Association of Industrial and Production Engineers (AIPE) is organising the fourth version of the programme.

Addressing the function, the minister said IPE is a very important discipline to match the changing global trade scenario.

He said, "It is very important to develop technology managers in our country so that they can serve both in the public and private sectors". The students of IPE department can meet the demand, he hoped.

Organisers said four seminars on supply chain management, manufacturing, productivity and system improvement in RMG, and business process re-engineering in services sector will be held during the three-day programme. A roundtable on energy management will also be held.

The minister also inaugurated an exhibition on IPE distinctive courses as part of three-day programme.

Liquidity crisis in money market contributes to share price fall: DSE

STAR BUSINESS REPORT

Dhaka Stock Exchange yesterday identified the present liquidity crisis in the money market as one of the key reasons for the continuous slide in share prices.

The DSE also urged the Bangladesh Bank to reduce the Statutory Liquidity Requirement (SLR) for banks from existing 18 percent to 16 percent, saying that it will help the stock market to improve.

CEO of Dhaka Stock Exchange (DSE) Salahuddin Ahmed Khan said, "The present bearish trend is due to the liquidity crisis in the money market."

He was talking to a group of journalists after a meeting with newly appointed Chairman of Securities and Exchange Commission (SEC) Faruq Ahmad Siddiqi, who made his maiden visit to the DSE yesterday.

The DSE General Index yester-

day declined by 17.25 points to close at 1424.71 points from previous trading day's 1441.96 points. It lost 252.64 points in the last three months while the All Share Price Index lost 177.05 points during the period.

The DSE CEO said most of the banks raised their interest rates on fixed deposit receipts (FDRs) last year, while the government also increased the interest rates on savings schemes by 1.5 percentage points in last December, which encouraged the small investors to invest in such schemes instead of investing in shares.

Besides, he continued, institutional investors like banks and financial institutions, which play important role in keeping the market vibrant, are less interested to put money in the market nowadays because of liquidity crisis in the banking sector.

"The institutional investors are also adjusting their margin accounts

of their clients in line with the fall in share prices," he said. The margin accounts are used by share investors to borrow from the institutional investors to purchase shares.

However, the SEC chairman talking to the reporters after the meeting, said the slide in prices is not 'alarming'.

Asked about the reason for the current bearish trend, he said there are many factors contributing to the fall.

During the meeting, the SEC and DSE discussed framing of investment friendly regulations, resuming share trading on Saturdays and reorganising of the quota system to apply for primary shares.

Among others, DSE President Abdullah Bokhari and Vice-president Ahmad Rashid Lali, and SEC executive directors were present at the meeting.

Saifur leaves for Jakarta to attend Escap meet

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman left here for Jakarta yesterday to attend the 62nd annual session of UN Escap.

The minister is expected to make a presentation on "Regional Cooperation in Infrastructure Development and Financing: Bangladesh Point of View" at a session of Economic and Social Commission.

He will return home on April 13, said a handout.

New DMD of Federal Ins



Haque joined Federal Insurance in 1993 as vice-president and company secretary.

He is also a fellow member of the Institute of Chartered Accountants of Bangladesh, says a press release.

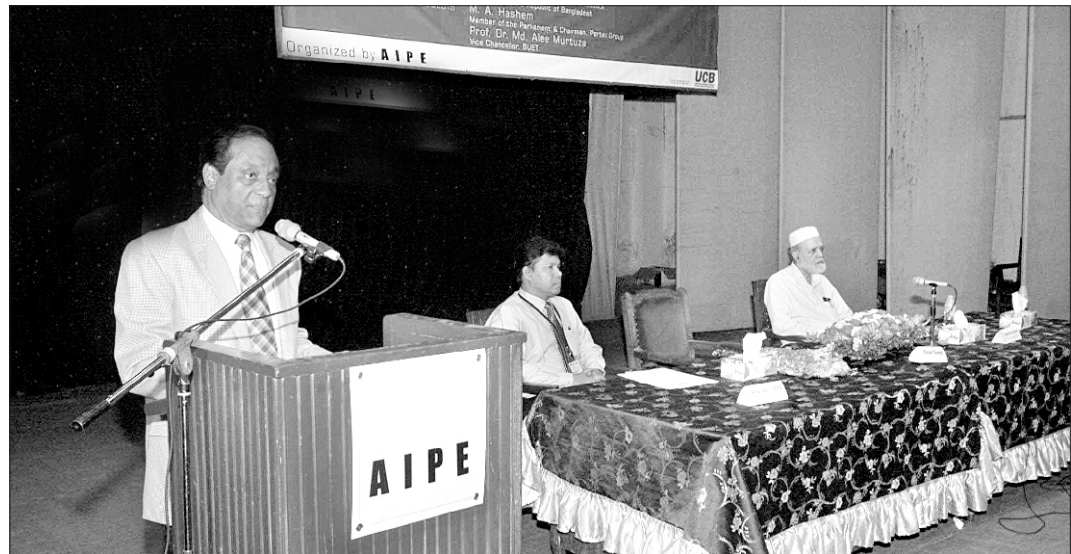


PHOTO: STAR

Fisheries and Livestock Minister Abdullah Al Noman speaks at the inauguration of a three-day programme styled 'IPEday-2006' on Bangladesh University of Engineering and Technology (BUET) campus in Dhaka yesterday.

CCCI, Concord sign deal on construction of WTC

STAFF CORRESPONDENT, Ctg

Chittagong Chamber of Commerce and Industry (CCCI) and Concord Engineers and Construction Limited, a sister concern of Concord Group, yesterday signed a deal on construction of the country's first-ever World Trade Centre (WTC) here.

The WTC will be constructed at Agrabad in the port city at a cost of Tk 141 crore. The physical work of the twenty-storey WTC will start within this month.

CCCI President Saifuzzaman Chowdhury and Concord Group Chairman SM Kamal Uddin signed the agreement on behalf of their organisations.

State Minister for Forest and Environment Jafrul Islam Chowdhury, also the former president of CCCI, and Advisor to the Ministry of Commerce Barkat Ullah Bulu were also present.

Oil prices fall

AFP, Singapore

Oil prices declined further in Asian trade Wednesday as the market took a breather after soaring to near 68 dollars a barrel and ahead of the weekly US crude inventory report, dealers said.

At 11:00 am (0300 GMT), New York's main contract, light sweet crude for delivery in May was down 10 cents to 66.13 US dollars from its close of 66.23 dollars in US trade on Tuesday.

INDUSTRIAL TARIFFS ISSUE

Lamy asks India, others to adopt flexible approach

PALLAB BHATTACHARYA, New Delhi

The World Trade Organisation yesterday asked India and other developing countries to adopt a flexible approach on industrial tariffs issue for giving a push to ongoing

trade talks and meeting crucial April 30 deadline to seal the deal in agriculture and Non Agriculture MarketAccess.

"We are approaching the moment of truth in next few days. Developed countries like EU and US will have to reduce subsidies in agriculture, their agriculture tariffs also should come down but developing countries like India, Brazil and South Africa will also have to reduce their industrial tariffs", WTO Director General Pascal Lamy told reporters after holding talks with Indian Commerce Minister Kamal Nath.

"This round is development round and trade needs to be rebalanced in favour of developing countries," he said here, expressing optimism about meeting the deadline.

Lamy, who arrived here on a two-day visit, said he was catalysing the "most important" deal for every country. India had both defensive and offensive interests in both agriculture and industrial goods and could do much more in terms of reducing its tariffs by bringing down the gap between its applied tariffs and those bound at WTO.

He said India had lot more to gain than it has to pay to and there was a need to weigh options in offensive and defensive areas.

Lamy said India will have to make its contribution to tariff reduction and pointed out that the Hong Kong ministerial meeting had provided enough policy space for this.

Indicating that there had been progress after the Hong Kong Ministerial agreement, Lamy said technical negotiations had widened and there was potential for a deal by April 30.

Lamy ruled out any dilution of development ambition for the Doha Round of talks launched in 2001 and said the opening up of the market had to be in right proportion for every one and three quarters of the membership comprising developing countries will not agree to it.

Asked about the contours of the likely deal, he said "We know what's on table and there is a need to

catalyse agreements in areas where differences are narrow".

Earlier, speaking at the stakeholder interaction organised by UNCTAD, Lamy who is also meeting Prime Minister Manmohan Singh, Finance Minister P Chidambaram and BJP leader

Murli Manohar Joshi, said the big picture was all about rebounding the world trading system.

UNB, Dhaka

South Korean importers showed interest in a number of Bangladeshi products and struck deals for the import of rice and rubber as well as a joint-venture project for recycling waste plastic.

To begin with, they gave a trial order for two containers of aromatic rice when the Koreans had a one-to-one meeting with about 70 exporters here Wednesday to prepare a shopping list.

They would import rubber from Bangladesh Forest Industries Development Corporation (BFIDC) and reached another agreement on making investment in a joint-venture project for waste plastic recycling.

A 21-member buying mission from Korea Importers Association (KOIMA) arrived in Dhaka Tuesday on a three-day visit to offer to import some select products of their interest from Bangladesh.

KOIMA Chairman Soon Han Kwon is leading the high-powered delegation as part their Asia tour that took them to Sri Lanka and Cambodia.

The delegation expressed interest in readymade garments, handicrafts, leather and leather products, frozen and live foods and agricultural products during the negotiation, said local businesspeople after the business exchange with their Korean counterparts.

They said the Koreans have also interest in building materials, alumi-

num foils, cosmetics, jewelry, rice, molasses, black pepper, vegetable and herbs, spice pickles, rubber, jute products, home-decoration items.

Titled 'Korea Buying Meeting', the negotiation was formally inaugurated followed by a presentation on the local exportable.

Commerce Minister Altaf Hossain Chowdhury, Commerce Secretary Abdul Karim, Korean Ambassador in Dhaka Seong Ung Park, delegation leader Soon Han Kwon, FBCCI President Mir Nasir Hossain and EPB Vice-chairman Mir Shahabuddin Mohammed addressed the function.

On the sidelines, a mini-exhibition of 40 local products was also arranged so the KOIMA members could have a firsthand idea about the items of their import interest.

"This buying mission will facilitate opening up new opportunities and avenues for promoting trade and investment between the Korean and Bangladeshi businessmen," Altaf told the function, assuring all possible cooperation from the government in facilitating both-way trade and investment.

Soon Han Kwon evinced their interest in buying Bangladeshi products as their yearly imports constitute around US\$ 300 billion mainly from Japan, China and developed countries.

They were also interested to explore investment prospects here as well as export potential for their

products, he said.

FBCCI President Nasir Hossain noted that Korea is the 10th-largest importer of the global exports, a little slice of which could be a big amount for the country's export earnings.

Local exporters should try to match their demand as they have got a choice for import from the country, he said.

The delegation members are mostly top executives of importing companies from South Korea.

The Export Promotion Bureau, as a part of its market-development activities, has organized the tour in cooperation with the Bangladesh Embassy in Korea.

KOIMA is an important association of the Korean business community having membership in the order of 10,000.

Bangladesh exported goods worth a paltry amount of \$ 42 million to Korea during 2004-2005, which shared 0.49 percent of the country's total export earnings of \$ 8654.52 million.

Country's major export items are leather, woven garments, jute manufactures, pharmaceuticals, footwear, jute yarn and twine and raw jute.

Bangladesh imported goods worth about US\$ 425.00 million in the same period from Korea.

SAFTA COUNCIL OF MINISTERS' MEET

Dhaka devising strategy

BDNEWS, Dhaka

The officials of commerce ministry is devising the country's position for the first meeting of the Safta council of ministers and committee of experts (CoE) scheduled for April 18-20 in Dhaka.

An inter-ministerial meeting was held at the commerce ministry in Dhaka yesterday with its secretary in the chair and selected expert officials for the negotiations, sources said.

"The Dhaka meeting of South Asia Free Trade Area is very important as it will pave the way for effect-

ing tariff-reduction for intra-regional trade among the seven member nations," a senior commerce ministry official said.

Commerce and trade ministers from all seven-member countries will attend this crucial meeting.

The first meeting of the Safta Council of Ministers (SMC) will review and finalise the Safta implementation arrangements on April 20 in Dhaka.

"The SMC meeting will review the progress towards the launching of Trade Liberalisation Programme (TLP) under the Safta agreement, with effect from July 1, 2006 among

all the contracting states," a commerce ministry source said.

The Safta agreement shall come into force on July 1, 2006 and the member states shall reduce their tariffs through Trade Liberalisation Programme that would be implemented in two phases. In the first phase, Pakistan and India would reduce tariffs from 0 to 5 percent within seven years, that is, by 2013, Sri Lanka by 2016 and the four LDCs of SAARC also by 2016.

Pakistan, India and Sri Lanka, however, would complete their TLP for the four LDCs within three years (2009).